

1 DOUGLAS P. BARTNER
2 FREDRIC SOSNICK
3 SHEARMAN & STERLING
4 599 Lexington Avenue
5 New York, New York 10022-6069
6 Telephone: (212) 848-8000

7 Counsel for Debtors and
8 Debtors in Possession

9 Debtors' Mailing Address:
10 4445 Lake Forest Drive, Suite 700
11 Cincinnati, OH 45242

12 UNITED STATES BANKRUPTCY COURT
13 NORTHERN DISTRICT OF CALIFORNIA

14 In re	)	Jointly Administered
15 CROWN VANTAGE, INC.,	)	Case No. 00-41584 N
16	)	Chapter 11
17 Debtor.)	
18 EMPLOYER I.D. #54-1752384	)	SECOND AMENDED ORDER (I)
19	)	APPROVING ENTRY INTO LETTER
20	)	AGREEMENT TO SELL CERTAIN ASSETS
21	)	FREE AND CLEAR OF CLAIMS, LIENS
22	)	AND ENCUMBRANCES, (II) APPROVING
23	)	AUCTION AND BIDDING PROCEDURES,
24	)	(III) APPROVING PAYMENT OF TOPPING
25	)	FEE AND WORK FEE AND (IV) FIXING
26	)	MANNER AND EXTENT OF NOTICE OF
27	)	SALE AND BIDDING PROCEDURES
28	)	MC No. S&S 10

21 Upon review and consideration of the Debtors' Motion for an Order (i) Approving
22 Entry into the Letter Agreement Authorizing the Debtors to Sell Certain Assets Free and Clear of
23 Claims, Liens and Encumbrances, (ii) Approving Auction and Bidding Procedures, (iii)
24 Approving Payment of Topping Fee and Work Fee and (iv) Fixing Manner and Extent of Notice
25 of Sale and Bidding Procedures (the "Motion") of Crown Paper Co. ("Crown Paper") and Crown
26 Vantage Inc. ("Crown Vantage" and together with Crown Paper, the "Debtors"); and it appearing
27 that due and proper notice of the hearing has been provided pursuant to ¶ A.1. of the Order
28

FILED

SEP 12 2000

BANKRUPTCY COURT
OAKLAND, CALIFORNIA

1 Establishing Case Management Procedures and Hearing Schedule, issued by the Court on April
2 20, 2000 (the "Case Administration Order"); and a hearing having been held on August 17, 2000
3 to consider the relief requested in the Motion (the "Hearing"); and upon consideration of the letter
4 agreement between Crown Paper and Crown Acquisition Corp. ("CAC"), dated August 17, 2000
5 (the "Original Letter Agreement"); and upon consideration of the various objections filed with
6 respect to the relief requested in the Motion; and it appearing, after due consideration, on August
7 17, 2000, the Court issued an Order, *inter alia*, approving the bidding procedures annexed as
8 Exhibit "3" thereto (the "Bidding Procedures") and Crown Paper's entry into the Letter
9 Agreement (the "Initial Order"); and the Court having issued an Order amending the Initial Order
10 on August 22, 2000 (the "First Amended Order"); and a further amendment to the First Amended
11 Order having been requested by the Debtors, the Creditors' Committee and CAC to reflect
12 modifications to certain dates in the Original Letter set forth in the amended Letter Agreement (the
13 "Letter Agreement") in the form of the draft annexed hereto as Exhibit "1"; and upon
14 consideration of the request for a further amendment to the First Amended Order; and it appearing
15 that such request is in the best interests of the Debtors, their estates, creditors and other parties in
16 interest; and no other or further notice of the entry of this order being necessary or required; and
17 after due deliberation and sufficient cause appearing therefor.

20
21 **IT IS NOW, THEREFORE, HEREBY ORDERED THAT**

- 22 1. The Auction (as defined in the Motion) shall be held on October 19, 2000 at
23 1:00 p.m. at the offices of Shearman & Sterling, 555 California Street, San Francisco, CA 94104.
24
25 2. The Sale Hearing (as defined in the Motion) shall be held before the
26 undersigned United States Bankruptcy Judge, on October 24, 2000, at 10:00 a.m. at the United
27 States Bankruptcy Court for the Northern District of California, Oakland Division, 1300 Clay
28 Street, Oakland, CA 94612, at which time the Court shall consider and confirm the results of the

1 Auction, if any, or the sale of the Purchased Assets (as defined in the Letter Agreement) to the
2 Purchaser (as defined in the Motion), as the case may be.

3 3. Objections to the Sale Motion (as defined in the Motion) shall be filed and
4 served no later than 4:00 p.m. (San Francisco time) on October 17, 2000 (the "Objection
5 Deadline"). The failure of any objecting person or entity to timely file its objection shall be a bar
6 to the assertion, at the Sale Hearing or thereafter, of any objection to the Sale Motion, the sale of
7 the Purchased Assets, or the Debtors' consummation and performance of the Definitive
8 Agreement (as defined in the Letter Agreement) (including the transfer of the Purchased Assets
9 and assumption and assignment of any assigned contracts free and clear of all interests), if
10 authorized by the Court.
11

12 4. The Sale Hearing and the Auction may, subject to the terms of the Letter
13 Agreement, be adjourned from time to time without further notice to creditors or parties in interest
14 other than by announcement of the adjournment in open court or on the Court's calendar on the
15 date scheduled for the Sale Hearing or any adjourned date.
16

17 5. Notice of the Sale Motion and the Sale Hearing shall be good and sufficient,
18 and no other or further notice shall be required, if (a) on or before September 29, 2000 (the
19 "Mailing Date"), the Debtors (or their agents) shall serve copies of the Sale Motion, the Letter
20 Agreement (if the Definitive Agreement is not then executed and delivered), the Definitive
21 Agreement (if then executed and delivered), the proposed Sale Order (as defined in the Motion)
22 and this Order by first-class mail, postage prepaid, in accordance with Paragraphs A.4b. and A.4e.
23 of the Case Administration Order, and upon (i) all entities known to have expressed an interest in
24 a transaction with a respect to the Purchased Assets or a portion thereof during the past four
25 months; (ii) all federal, state, and local regulatory or taxing authorities or recording offices which
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27
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1 have a reasonably known interest in the relief requested by the Sale Motion; (iii) the United States
2 Attorney's Office; and (iv) the Securities and Exchange Commission and (b) a Notice
3 substantially in the form attached hereto as Exhibit "2" shall have been published in the national
4 edition of the *Wall Street Journal* on or before October 4, 2000.

5
6 6. The Topping Fee and the Work Fee (each as defined in the Letter
7 Agreement) are hereby approved and, if payable and when due pursuant to the terms of the Letter
8 Agreement, shall be allowed as administrative expense claims, and in the case of the Topping Fee
9 shall constitute a cost of the sale and be paid from the sale proceeds.

10 7. The Bidding Procedures, set forth in Exhibit "3" hereof, are hereby
11 approved and shall govern all bids for the Purchased Assets.
12

13 8. The Court shall retain jurisdiction over any matter or dispute arising from or
14 relating to the implementation of this Order.

15 9. The Debtors are hereby authorized and empowered to take such acts and
16 expend such funds as may be necessary and appropriate to implement and effectuate the terms of
17 this Order.
18

19 10. The Purchaser shall be deemed a party in interest with standing to appear
20 and be heard in connection with any motion, hearing or other proceeding relating to the Topping
21 Fee or the Work Fee.
22

23 **IT IS SO ORDERED**

24 Dated: September __, 2000


UNITED STATES BANKRUPTCY JUDGE